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VIA E-MAIL

July 19, 2019

Mr. Chad Schoop, P.E.
Bureau of Industrial Site Cleanup (BISC)
Nevada Division of Environmental Protection (NDEP)
2030 E. Flamingo Road, Suite 230
Las Vegas, NV 89119

**Re: Quarterly Progress Report – Second Quarter 2019
Environmental Conditions Investigation Program
Former Montrose Facility, ID# H-000540, Henderson, Nevada**

Dear Mr. Schoop,

On behalf of the Montrose Chemical Corporation of California (Montrose), the following summarizes the work performed or significant activities completed during the Second Quarter 2019 for the Environmental Conditions Investigation (ECI) programs at the former Montrose facility in Henderson, Nevada. This Quarterly ECI Progress Report has been prepared in accordance with the Montrose Phase II Consent Decree Agreement, dated June 18, 1996.

- On April 10, 2019, NDEP submitted to Montrose Pay Request #96, which was representative of oversight billings for the period January through March 2019. Subsequently, the Montrose payment was made to NDEP on May 9, 2019.
- On April 17, 2019, Montrose submitted to NDEP the 1st Quarter 2019 ECI program progress report. The ECI progress report also included the updated Montrose Program Fact Sheet.
- On May 1, 2019, NDEP submitted a letter to Montrose regarding the Former Above Ground Benzene Storage Tank (FBST). The NDEP letter indicated that no further assessment or remediation for soil in the top 10 feet is required for an outdoor commercial/industrial scenario. For reference, the NDEP letter approved the previous FBST no further action (NFA) determination request submitted by Montrose on October 26, 2018.
- On May 3, 2019, NDEP submitted draft letters to Montrose regarding the Former Underground Benzene Storage Tank (FUBST) NFA request and Closed Pond Area-Former Tank Farm (CPA-FTF) Administration Closure (AC) request. For reference, Montrose submitted the FUBST NFA request to NDEP on December 18, 2018 and the CPA-FTF AC request on August 24, 2018. As requested by NDEP, Montrose responded

with no comments to the draft CPA-FTF AC letter on May 9, 2019 and provided comments to the draft FUBST NFA letter on May 21, 2019.

- On June 7, 2019, NDEP submitted a letter to Montrose/SMC Montrose regarding the FUBST NFA request. The NDEP letter indicated that no further assessment or remediation for soil in the top 10 feet is required for an outdoor commercial/industrial scenario for the FUBST area. The letter also requested that in light of the benzene concentrations to the west of the FUBST area, a future assessment will be required and the schedule for submittal of work plan shall be provided by July 19, 2019.
- Montrose conducted the 2nd Quarter 2019 DNAPL monitoring program during the period June 20 to 22, 2019.

The following provides a brief description of the Montrose ECI Program activities planned for the 3rd Quarter 2019:

- NDEP and Montrose to continue work on the Administrative Closure Request for the CPA-FTF.
- Montrose continues to anticipate receiving comments from NDEP regarding the previously submitted Former Plant Site Conceptual Site Model/Data Usability Evaluation Report.
- Montrose continues to implement the Quarterly DNAPL purge and monitoring program. The 3Q2019 DNAPL monitoring event will be conducted in September 2019.
- Development of a long-term access agreement is ongoing to assure continued access to Montrose ECI areas on the Olin property.
- Development of a deed restriction agreement and/or environmental covenant with Olin to assist closure of the Montrose site assessment areas by future NDEP NFA determinations.

Additionally, while also not directly part of the Phase II ECI program, Montrose continued its participation with the Companies (i.e., Pioneer, SMC/ Syngenta, and Montrose Chemical Corporation of California) in the operation and management of the groundwater treatment system (GWTS) and joint programs during the 2Q2019. The following provides a summary of the notable 2Q2019 GWTS operations/joint programs and anticipated 3Q2019 activities:

- Throughout the reporting period, the Companies conducted routine GWTS O&M activities.
- The Annual groundwater monitoring program commenced and was completed in April 2019.
- On April 26, 2019, NDEP submitted to the Companies comments to the latest version of the draft groundwater remedial alternative study (RAS). For reference, the previous version of the RAS was submitted to NDEP on November 21, 2018. The Companies

incorporated NDEP comments and submitted a revised draft groundwater RAS to NDEP on June 28, 2019.

- On May 15, 2019, the OSSM Companies and NDEP conducted the annual meeting to discuss the status and progress of ongoing Site activities.
- The Companies submitted the revised Groundwater RAS/response to comments to NDEP on June 28, 2019.
- *de maximis*, on behalf of the Companies, will be submitting the Semi-Annual UIC Report to NDEP in August 2019.
- *de maximis*, on behalf of the Companies, will be submitting to the Semi-Annual Operations Report for the GWTS to NDEP in August 2019.
- The Companies are planning to submit the Administrative Closure Request for the Beta and Western Ditch System in the third quarter of 2019.

If you should have any questions or require additional information regarding the above contents, please contact me at 619-991-9074.

Sincerely,



Edward Modiano
de maximis, inc,
Consultant for Montrose Chemical Corporation of California
Nevada Certified Environmental Manager
EM No. 2107; Expires October 18, 2019

Enclosure: Fact Sheet-Former Montrose Facility, Henderson, Nevada

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Fact Sheet

Former Montrose Facility Henderson, Nevada

UPDATED JULY 2019

The Montrose Chemical Corporation of California (Montrose) formerly operated a chemical manufacturing plant on various leased parcels located within what is now the Olin Chlor Alkali Products (Olin) facility in the southwestern portion of the BMI Complex, Henderson, Nevada. The Montrose plant ceased operations in 1983 and the manufacturing facilities were demolished. Various closure activities, including the closure of former evaporation ponds, continued until 1989.

Administrative History

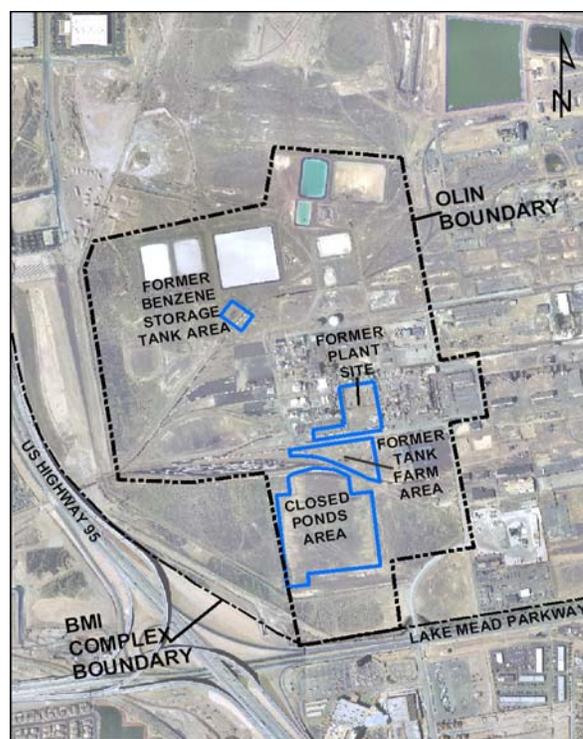
In 1991, Montrose entered into a Consent Agreement with the Nevada Division of Environmental Protection (NDEP) requiring Montrose to conduct a Phase I Environmental Conditions Assessment (ECA) of the former Montrose facility to identify areas of potential environmental concern. Montrose submitted its ECA report to NDEP in 1993.

In 1994, NDEP issued a Phase II Letter of Understanding (LOU) that outlined specific environmental issues to be investigated by Montrose. Subsequently, Montrose entered into another Consent Agreement with the NDEP in 1996 to conduct a Phase II Environmental Conditions Investigation (ECI) of areas of potential environmental concern at the former Montrose facility as identified in the LOU.

Site Investigations

Since completion of the 1996 Consent Agreement, Montrose has completed a series of soil and groundwater investigations under the oversight of the NDEP. This work was conducted during the period from approximately 1996 to 2010 which resulted in the submittal of a series of reports and other correspondence to NDEP. These efforts defined areas of chemical presence at the former Montrose leased properties and laid the foundation for future preparation of risk assessments and/or close-out activities.

Also, during the period from approximately 2000 to 2008, Montrose in collaboration with parties involved in the Stauffer Management site (co-located on the Olin plant site), completed a series of additional groundwater and soil investigations which resulted in the publication of a Conceptual Site Model (CSM) document in July 2008. That comprehensive document defined the regional



Former Montrose Facility Locations

geology and hydrogeology, source area locations and the magnitude and mechanism of chemical migration at the combined sites. The CSM also identified outstanding data gaps for which further investigation was required.

Since 2008, further investigations have proceeded at targeted geographical areas. All activities tend to follow a process where the objectives of a program are defined with NDEP, a workplan that defines the work necessary to resolve the data gaps is submitted for NDEP's review, the field or research work is completed, and a report of the findings is published. Review of these reports by NDEP determines if the work has met the stated objectives or if a further phase of work is required. The following provides the status and path forward for the Montrose LOUs, including the AC and NFA process as the following describes.

Current Investigations and Document Development

The following provides an update for the LOU areas as of June 2019:

- Closed Pond/Former Tank Farm Area (CPA-FTF): Montrose submitted an Administrative Closure (AC) request to NDEP on August 24, 2018. The AC included responses to NDEP comments regarding the previously submitted risk assessment. NDEP submitted a draft AC letter to Montrose on May 3, 2019 and requested comments from Montrose. On May 9, 2019, Montrose responded with no comments to the draft AC letter. After further discussion with NDEP, it was determined that an Environmental Covenant will need to be provided as part of the AC. Montrose will prepare the Environmental Covenant and resubmit the AC request.
- Former Underground Benzene Storage Tank Area (FUBST): Montrose previously submitted a No Further Action (NFA) package to NDEP on March 21, 2016, in which NDEP provided comments on February 7, 2018. Subsequently, Montrose addressed the NDEP comments and resubmitted the FUBST NFA request on December 21, 2018. NDEP submitted a draft NFA letter to Montrose on May 3, 2019 and requested comments from Montrose. On May 21, 2019, Montrose responded with comments to the draft FUBST NFA in which NDEP incorporated and sent an NFA letter for the FUBST area on June 7, 2019. The NFA letter also requested, that in light of the benzene concentrations to the west of the FUBST area, a future assessment will be required and the schedule for submittal of work plan shall be provided by July 19, 2019.
- Former Plant Site (FPS): The FPS Conceptual Site Model/Data Usability Evaluation (CSM/DUE) was submitted by Montrose on July 3, 2017 and NDEP comments are currently pending. Montrose is currently on hold for conducting any additional work at the FPS.
- Former Benzene Storage Tank (FBST): Montrose submitted CSM-revision #3 for the FBST to NDEP on August 2, 2017 in which NDEP provided comments on November 14, 2017. Subsequently, Montrose submitted an NFA for the FBST to NDEP on October 26, 2018 which in the CSM-revision #4 and responses to NDEP comments. On May 1, 2019, NDEP submitted a letter to Montrose regarding the FBST. The NDEP letter indicated that no further assessment or remediation for soil in the top 10 feet is required for an outdoor commercial/industrial scenario at the FBST area.

- The Quarterly DNAPL Purge/Monitoring Program is ongoing. The 2Q2019 quarterly event was conducted during the period June 20 to 22, 2019. The 3Q2019 program will be conducted in September 2019.

Groundwater Treatment System and Joint Programs

Montrose, Olin (formerly Pioneer), and Stauffer Management Company, LLC (SMC) collectively operate a groundwater remediation system (GWTS) near Warm Springs Road and continue to work jointly on groundwater programs. The GWTS was first installed in 1983 and consists of a series of extraction wells to capture chemicals migrating within groundwater moving downgradient from the former plant sites. The groundwater is treated by a combination of air-stripping and activated carbon adsorption to remove chemicals and the treated groundwater is then returned to the aquifer system. The GWTS operates continuously and routine ongoing evaluations are conducted to maintain the system's groundwater contaminant capture efficiency. GWTS reports, which include the groundwater capture analysis, are provided to NDEP on a semi-annual basis. The most recent GWTS report (July to December 2018) was submitted to NDEP on February 15, 2019. The 2019 annual Site-wide groundwater monitoring event is scheduled to be conducted in April 2019. The next GWTS report (January to June 2019) will be submitted to NDEP in August 2019. The 2019 annual Site-wide groundwater monitoring event was conducted in April 2019.

Additional activities being conducted include the ongoing Groundwater Remedial Alternative Study (GWRAS) and investigation of the Beta and Western Ditch System. On April 26, 2019, NDEP submitted to the Companies comments to the latest version of the draft groundwater remedial alternative study (RAS). For reference, the previous version of the RAS was submitted to NDEP on November 21, 2018. The Companies incorporated NDEP comments and submitted a revised draft groundwater RAS to NDEP on June 28, 2019. The Companies are planning to submit the AC request for the Beta and Western Ditch System to NDEP in the third quarter of 2019.

INFORMATION AND COMMUNITY INVOLVEMENT

NDEP oversees all aspects of the environmental work at the former Montrose facility. Additional information can be obtained from Chad Schoop (702-486-2850 ext. 248) at NDEP. Montrose welcomes community input to this project and recognizes the need to respond to community concerns. Previous reports related to the environmental work at the site can be obtained from NDEP's offices in Las Vegas or Carson City.